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**TO: Economic Support Supervisors  
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Training Staff  
Child Care Coordinators  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers**

**FROM: Amy Mendel-Clemens  
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**BEM/DWS OPERATIONS MEMO**

**No: 05- DRAFT**

**DATE: 11/16/2005**

FS	<input type="checkbox"/>	MA	<input type="checkbox"/>	SC	<input type="checkbox"/>
CTS	<input type="checkbox"/>	CC	<input type="checkbox"/>	W-2	<input checked="" type="checkbox"/>
FSET	<input type="checkbox"/>	EA	<input type="checkbox"/>	CF	<input type="checkbox"/>
JAL	<input type="checkbox"/>	JC	<input type="checkbox"/>	RAP	<input type="checkbox"/>
WIA	<input type="checkbox"/>	Other EP	<input type="checkbox"/>		

**PRIORITY: HIGH**

**SUBJECT: NOTIFYING PARTICIPANTS OF PAYMENT REDUCTIONS AND CASE  
CLOSURES**

**CROSS REFERENCE:** 2005 Wisconsin Act 25, s. 49.153, Stats.  
Operations Memo 04-34, *Case Closures*

**EFFECTIVE DATE:** Immediately

**PURPOSE**

The purpose of this memo is to provide information on a change in Wisconsin Works (W-2) policy that requires W-2 agencies to notify participants before reducing payments by 20 percent or more or before terminating a participant's eligibility for W-2. This policy change is based on a provision in the state biennial budget legislation, 2005 Wisconsin Act 25.

**NEW POLICY**

Statutory language provided in the 2005 biennial budget instructs the W-2 agencies that before taking any action against a participant that would result in a sanction of 20 percent or more in the participant's benefits or in termination of the participant's eligibility to participate in W-2, it must do all of the following:

- (a) Provide to the participant written notice of the proposed action and of the reasons for the proposed action.
- (b) After providing written notice, explain to the participant orally in person or by phone, or make reasonable attempts to explain to the participant orally in person or by phone the proposed action and the reasons for the proposed action.
- (c) After providing notice in writing and the explanation or the attempts to provide an explanation, allow the participant reasonable time to rectify the deficiency, failure or other behavior to avoid the proposed payment reduction or termination of eligibility.

The remainder of this memo provides instructions on implementing this new policy. These are considered short-term directives that can be used immediately in order to meet the intent of the law until changes can be made to the CARES system to more fully support the new policy.

### **IMPLEMENTING NOTIFICATION OF TWENTY PERCENT OR GREATER PAYMENT REDUCTIONS**

#### *Twenty Percent Reduction Reports*

In order to assist the W-2 agencies in identifying those participants that must be notified due to a 20 percent or greater payment reduction, the Division of Workforce Solutions (DWS) has developed three Web Intelligence (WEBI) reports. These reports are located in the "Monitoring Reports W-2 & FSET" folder.

The first report is the "*W-2 Cases with 20% or More Benefit Reduction – 1<sup>st</sup> of the Month Report*," which runs on the 1<sup>st</sup> of each month. The second report is the "*W-2 Cases with 20% or More Benefit Reduction – 16<sup>th</sup> of the Month Report*," which runs on the 16<sup>th</sup> of each month. The third report is the "*W-2 Cases with 20% or More Benefit Reduction – At W-2 Pulldown Report*," which runs the same night as W-2 Pulldown (W2P).

The **1<sup>st</sup> of the Month** report will identify those participants who, as of the 1st of the month, appear to be on track to have their W-2 payment reduced by 20 percent or more. The **16<sup>th</sup> of the Month** report will identify those participants who, as of the 16<sup>th</sup> of the month, appear to be on track to have their W-2 payment reduced by 20 percent or more. Those individuals that appear for the first time on the W-2 Pulldown report will have their benefits reduced. See the section below entitled *Rectifying the Deficiency, Failure or Other Behavior that Caused the Payment Reduction* for further instructions.

All three reports look exactly alike; however, there is one major difference between those reports run on the 1<sup>st</sup> and 16<sup>th</sup> and the report run at W-2 Pulldown. On the **1<sup>st</sup> and 16<sup>th</sup> of the Month** reports, the percent reduction is calculated by multiplying the sanctionable hours (Sctn Hrs) column by the minimum wage (Min Wage) column in order to get the hourly reduction (Hourly Reduction) column. That number is then divided by the gross W-2 payment (Gross W2 Payment) column.

On the **W-2 Pulldown** report, the percent reduction is calculated by multiplying the applied hours (Applied Hrs) column by the minimum wage (Min Wage) column in order to get the hourly reduction (Hourly Reduction) column. That number is then divided by the gross W-2 payment (Gross W2 Payment) column.

The reason sanctionable hours are used for the **1st and 16<sup>th</sup> of the Month** reports and applied hours for the **W-2 Pulldown** report is due to CARES screen WPMA. On WPMA, while sanctionable hours roll up as nonparticipation hours are entered, applied hours are only calculated at pulldown. For that reason, applied hours (Applied Hrs) will always be 0 on the **1st and 16<sup>th</sup> of the Month** reports.

With regard to the placement (Plcm) column, if the placement type is CMC, this may indicate that the participant's placement was changed from CMC to another paid placement type, but the worker did not run eligibility with dates. When these CMCs appear on the report, agency staff must follow-up to correct the mistake.

In order for the FEP to discuss the underlying cause of the 20 percent or greater payment reduction, the activity code (Act Cd) column shows which specific activities were missed and the Nonparticipation hours (NP Hrs) column shows how many hours were missed.

#### Written Notification for Payment Reduction

The first time a participant appears on the **1st and 16<sup>th</sup> of the Month** reports, the W-2 agency must notify them that they may receive a 20 percent or more payment reduction and the reasons for the proposed reduction using a manual W-2 agency notice. Attached is a draft letter the W-2 agency must issue *[to be attached on final memo]*. W-2 agencies may alter this letter by putting it on letterhead, adding additional information, etc., but the information contained in the sample must also be in the W-2 agency letter. Once the manual letter is issued, the agency must then follow up with oral notification within five (5) working days after the mailing date of the written notification.

W-2 participants who appear on the **W-2 Pulldown** report and not on the **1st and 16<sup>th</sup> of the Month** reports, the *Wisconsin Works Payment Statement* (CARES Letter BIL1) will serve as the written notification. This letter is generated during the W-2 Benefit Issuance Pulldown Cycle (W2P), which is run in CARES the same evening as the **W-2 Pulldown** report. It notifies W-2 participants in writing of their W-2 payment amounts, minus various deductions including deductions for hours missed without good cause. Again, the agency must follow-up with oral notification within five (5) working days after the mailing date of the *Wisconsin Works Payment Statement* (CARES Letter BIL1).

#### Oral Notification for Payment Reduction

Within five (5) working days after the mailing date of the W-2 manual letter or CARES Letter BIL1, the FEP must either notify or have had made reasonable attempts to notify the participant of the 20 percent or greater payment reduction and the reason(s) for the proposed reduction. The FEP may do this by one of the following methods:

- Phone calls with the participant at the participant's home, daycare provider or worksite; *or*
- Face-to-face visits to the participant's home, daycare provider, worksite or at the W-2 agency.

The FEP must inform the participant of the underlying cause for the 20 percent or greater payment reduction. This would include telling the participant which activities were missed. In addition the FEP must discuss with the participant the reason(s) for the nonparticipation, the opportunity to present good cause for failing to participate and informing the participant of his or her ability to appeal the agency decision, if necessary.

The FEP must document in case comments the method used for the oral notification or, if oral notification was not made, the reasonable attempts that were made. Because the statute states that "reasonable attempts" must be made, at a minimum, the FEP should make two attempts using one or both of the methods described above, e.g., a phone call to the worksite and a phone call home; two phone calls home, etc..

#### Rectifying the Deficiency, Failure or Other Behavior that Caused the Payment Reduction

The W-2 agency must then allow the participant reasonable time to rectify the deficiency, failure or other behavior to avoid the proposed payment reduction. There may be instances in which the participant presents good cause for failing to participate or barriers may be identified that prevented the participant from participating. For the purposes of this policy, seven (7) working days from the oral notification or from the last attempt to make oral notification is considered reasonable time to rectify the deficiency, failure or other behavior.

For those participants that appear on the **1<sup>st</sup> and 16<sup>th</sup> of the Month** reports, good cause can be entered into the CARES system in enough time to adjust the final W-2 monthly payment amount. However, for those participants appearing for the first time on the the **W-2 Pulldown** report, due to the CARES benefit issuance cycle, FEPs will be unable to change the final W-2 monthly payment amount. Therefore, if the deficiency, failure or other behavior that caused the payment reduction is rectified for those participants appearing for the first time on the **W-2 Pulldown** report, the FEP must initiate a supplemental payment in order to correct the payment amount.

#### **IMPLEMENTING NOTIFICATION OF TERMINATION OF ELIGIBILITY**

The same written and oral notification is required when terminating participants' eligibility for W-2 due to sanctions for noncooperation with program requirements. When a W-2 agency is terminating eligibility for reasons other than noncooperation, such as a child turning age 18, person no longer residing in Wisconsin, etc., current procedures remain appropriate. Termination of W-2 eligibility that would prompt the new written and oral notification procedures includes those closure reasons identified in Operations Memo 04-34 [create link], including failing to cooperate with child support.

It should be noted that under current W-2 policy, a W-2 case cannot be closed for noncooperation until the FEP has explored potential barriers or other factors that may be interfering with a participant's ability to cooperate. (Operations Memo 04-34) [create link] It is expected that this exploration include discussion with the participant. However, due to the precise statutory language regarding notifying participants in writing first and then orally, agencies will be required to again contact the participant the day after CARES Letter Notice of Decision CNES is generated.

#### Written Notification for Termination of W-2 Eligibility

A CARES Notice of Decision CNES informs participants of their eligibility for all programs including W-2 and gives the reason(s) for terminating eligibility. This notice is issued no later than 10 days prior to the end of eligibility and many times well before W-2 eligibility actually ends.

#### Oral Notification for Termination of W-2 Eligibility

Within five (5) working days after the mailing date of the CARES Notice of Decision CNES, reporting the W-2 closure, the FEP must either notify or make reasonable attempts to notify the participant of the loss of W-2 eligibility and the reason(s) for the loss of eligibility. The FEP may do this by one of the following methods:

- Phone calls with the participant at the participant's home, daycare provider or worksite; *or*
- Face-to-face visits to the participant's home, daycare provider, worksite or at the W-2 agency.

The FEP must inform the participant of the underlying cause for loss of W-2 eligibility. This would include telling the participant which cooperation requirement(s) was not met, explaining the opportunity to present good cause for failing to cooperate and informing the participant of his or her ability to appeal the agency decision, if necessary.

The FEP must document in case comments the method used for the oral notification or, if oral notification was not made, the reasonable attempts that were made. Because the statute states that "reasonable attempts" must be made, at a minimum, the FEP should make two attempts using one or both of the methods described above, e.g., a phone call to the worksite and a phone call home; two phone calls home, etc..

### Rectifying the Deficiency, Failure or Other Behavior That Caused the Termination of Eligibility

The W-2 agency must allow the participant reasonable time to rectify the deficiency, failure or other behavior to avoid the case closure due to termination of W-2 eligibility. For example, there may be instances in which the participant presents good cause for failing to cooperate or barriers may be identified that prevented the participant from cooperating. For the purposes of this policy, seven (7) working days from the oral notification or from the last attempt to make oral notification is considered reasonable time to rectify the deficiency, failure or other behavior. Due to the way in which CARES ends W-2 eligibility, the FEP will be able to restore W-2 eligibility prior to the effective date identified in CARES Notice of Decision CNES.

### **CONTACTS**

BHCE CARES Information & Problem Resolution Center

Program Categories – FS – FoodShare, MA – Medicaid, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – Food Stamp Employment and Training, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DWD/DWS/BW-2/MMM